

106TH CONGRESS
1ST SESSION

H. R. 1931

To require agreements entered into between depository institutions and private parties relating to the Community Reinvestment Act of 1977 to be made available to the public and the appropriate Federal banking agency, to require each party to the agreement to regular report to such agency any amount received from other parties, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 1999

Mr. McCOLLUM (for himself, Mr. ROYCE, Mr. BACHUS, and Mrs. ROUKEMA) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To require agreements entered into between depository institutions and private parties relating to the Community Reinvestment Act of 1977 to be made available to the public and the appropriate Federal banking agency, to require each party to the agreement to regular report to such agency any amount received from other parties, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “CRA Sunshine Act
3 of 1999”.

4 **SEC. 2. CRA SUNSHINE REQUIREMENTS.**

5 (a) DISCLOSURE AND REPORTING.—The Federal De-
6 posit Insurance Act (12 U.S.C. 1811 et seq.), is amended
7 by adding at the end the following new section:

8 **“SEC. 45. CRA SUNSHINE REQUIREMENTS.**

9 “(a) PUBLIC DISCLOSURE OF AGREEMENTS.—Any
10 agreement entered into by an insured depository institu-
11 tion or affiliate with a nongovernmental entity or person
12 made pursuant to or in connection with the Community
13 Reinvestment Act of 1977 involving funds or other re-
14 sources of such insured depository institution or affiliate
15 shall be, in its entirety, fully disclosed, and the full text
16 thereof made available to the appropriate Federal banking
17 agency with supervisory responsibility over the insured de-
18 pository institution and to the public and shall obligate
19 each party to comply with the provisions of this section.

20 “(b) ANNUAL REPORT OF ACTIVITY.—Each party to
21 the agreement shall report, as applicable, to the appro-
22 priate Federal banking agency with supervisory responsi-
23 bility over the insured depository institution, no less fre-
24 quently than once each year, such information as the Fed-
25 eral banking agency may, by regulation, require relating
26 to the following actions taken by the party pursuant to

1 an agreement described in subsection (a) during the pre-
2 vious 12-month period:

3 “(1) Payments, fees, or loans made to any
4 party to the agreement or received from any party
5 to the agreement and the terms and conditions of
6 the same.

7 “(2) Aggregate data on loans, investments, and
8 services provided by each party in its community or
9 communities pursuant to the agreement.

10 “(3) Such other pertinent matters as deter-
11 mined by regulation by the appropriate Federal
12 banking agency with supervisory responsibility over
13 the insured depository institution.

14 The Federal banking agency shall ensure that the regula-
15 tions implementing this section do not impose an undue
16 burden on the parties and that proprietary and confiden-
17 tial information is protected.

18 “(c) EXISTING AGREEMENTS.—The requirements of
19 subsection (b) (1), (2), and (3) shall be deemed to be ful-
20 filled with respect to any agreement made prior to May
21 5, 1999.

22 “(d) SECONDARY AGREEMENTS.—Any agreement
23 made on or after May 5, 1999, pursuant to an agreement
24 described in subsection (a) shall be subject to the require-
25 ments of subsections (a) and (b).

1 “(e) AGREEMENT DEFINED.—For purposes of this
2 section, the term ‘agreement’—

3 “(1) means any written contract, written ar-
4 rangement, or other written understanding with a
5 value in excess of \$10,000 annually, or a group of
6 substantively related contracts with an aggregate
7 value of \$10,000 annually, made pursuant to or in
8 connection with the Community Reinvestment Act of
9 1977, at least 1 party to which is an insured deposi-
10 tory institution or affiliate thereof, or entity owned
11 or controlled by an insured depository institution or
12 affiliate, whether organized on a profit or nonprofit
13 basis; and

14 “(2) does not include any specific contract or
15 commitment for a loan or extension of credit to indi-
16 viduals, businesses, farms, or other entities, where
17 the purpose of the loan or extension of credit does
18 not include any re-lending of the borrowed funds to
19 other parties.

20 “(d) VIOLATIONS.—Any violation of the provisions of
21 this section shall be considered a violation of this Act. If
22 the party to the agreement that is not an insured deposi-
23 tory institution or affiliate fails to comply with this sec-
24 tion, the agreement shall not be enforceable after being

1 given notice and a reasonable period of time to perform
2 or comply.

3 “(e) LIMITATION.—No provision of this section shall
4 be construed as providing any authority upon any appro-
5 priate Federal banking agency to enforce the provisions
6 of the agreements that are subject to the requirements of
7 subsection (a).

8 “(f) REGULATIONS.—Each appropriate Federal
9 banking agency shall prescribe regulations requiring pro-
10 cedures reasonably designed to assure and monitor compli-
11 ance with the requirements of this section.”.

○